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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, DECEMBER 15, 1999

APPLICATION OF

CARDINAL COMMUNICATIONS OF VIRGINIA, INC.

CASE NO. PUC990141

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On August 25, 1999, Cardinal Communications of Virginia,

Inc. ("Cardinal" or "Applicant" or "Company") completed an

application for certificates of public convenience and necessity

("certificate") to provide local exchange and interexchange

telecommunications services throughout the Commonwealth of

Virginia. Cardinal also requested authority to price its

interexchange services on a competitive basis pursuant to § 56
481.1 of the Code of Virginia.

By Order dated September 17, 1999, the Commission directed the Applicant to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a Staff Report, and scheduled a public hearing to receive evidence relevant to Cardinal's application.

On November 10, 1999, Staff filed its report finding that Cardinal's application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service, 20 VAC 5-400-180 ("Local Rules") and the Rules Governing the Certification of Interexchange Carriers, 20 VAC 5-400-60 ("IXC Rules"). Staff indicated its position that Cardinal had met all applicable conditions for certification identified in § B of the Local Rules. Cardinal is proposing to offer high-speed data telecommunications services to consumers in Virginia.

The Staff Report recommended granting a certificate to Cardinal for interexchange telecommunications services and a certificate for local exchange telecommunications services subject to the following conditions: (1) at such time as voice services are initiated by the Company, Cardinal shall provide/comply with all requirements of § C (Conditions for certification) of the Local Rules; (2) any customer deposits collected by the Company shall be retained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines it is no longer necessary; and (3) the Company shall provide audited financial statements of its parent, Cardinal Communications, Inc., to the Staff no later than one (1) year from the effective date of Cardinal's initial tariff.

A hearing was conducted on November 24, 1999. At the hearing, Cardinal's proof of service, proof of notice, the application, and accompanying attachments, along with the Staff's Report, were entered into the record without objection. Applicant agreed to the recommendations contained in the Staff Report.

Having considered the application and the Staff Report, the Commission finds that Cardinal's application should be granted.

We also find that Cardinal should comply with the above recommendations of Staff. Accordingly,

IT IS ORDERED THAT:

- (1) Cardinal hereby is granted a certificate of public convenience and necessity, No. TT-82A, to provide interexchange telecommunications services subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.
- (2) Cardinal is granted a certificate of public convenience and necessity, No. T-470, to provide local exchange telecommunications services subject to the restrictions set forth in the Commission's Rules Governing the Offering of Competitive Local Exchange Telephone Service, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

- (3) Cardinal is granted authority to price its interexchange services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.
- (4) Cardinal shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.
- (5) The certificates granted to Cardinal are conditioned upon Cardinal complying with the following recommendations of Staff: (a) at such time as voice services are initiated by the Company, Cardinal shall provide/comply with all requirements of § C (Conditions for certification) of the Local Rules; (b) any customer deposits collected by the Company shall be retained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines is no longer necessary; and (c) the Company shall provide audited financial statements of its parent, Cardinal Communications, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of Cardinal's initial tariff.
- (6) Since there is nothing further to come before the Commission, this case shall be dismissed and the papers herein be placed in the file for ended causes.